The Corporation of the
Town of Arnprior

By-law Number 6951-19

Being a By-law to establish and approve a Strategic Asset Management Policy for the Corporation of the Town of Arnprior

Whereas the Province of Ontario (introduced and enacted O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure Regulation under the Infrastructure for Jobs and Prosperity Act, 2015, S.O. 2015, c. 15; and

Whereas the impact of this regulation on each Municipality is unique and will require varying levels of adjustments to current asset management plans; and

Whereas S. 11 (2) Municipal Act 2001 S.O. as amended, provides that a lower tier municipality may pass bylaws subject to the rules set out in subsection (4) respecting the following; Financial management of the municipality and public assets; and

Whereas the Council of the Corporation of the Town of Arnprior deems it expedient to adopt policies to set out guidelines for the accounting treatment for assets.

Therefore the Council of the Corporation of the Town of Arnprior hereby enacts as follows:

1. **That** Policy No. FS-CA-02**,** being the Strategic Asset Management Policy forms part of this bylaw.

2. **That** Schedule A – Strategic Asset Management Policy shall be reviewed and, if necessary, updated at least every five (5) years.

3. That this Bylaw shall come into full force and effect on the date of approval at which time all bylaws and/or resolutions that are inconsistent with the provisions of this Bylaw are hereby repealed to give effect to the provisions of this Bylaw

Enacted and **passed** this 13th day of May, 2019.

Mayor Walter Stack

Maureen Spratt, Clerk

ARNPRIOR	The Corporation of The Town of Arnprior Corporate Policies and Procedures Manual	
	Section: Capital Assets	**Policy # FS-CA-02**
Policy Name: Strategic Asset Management Policy		
Effective Date: May 13, 2019 **By-law No: 6951-19**	**Revised Date:** **By-law No:**	**Coverage:**

1.0 Background

The Town is responsible for providing a range of essential services to the community, including transportation networks, waterworks, and community services to name a few. To deliver these services, it owns and manages a diverse municipal infrastructure asset portfolio of roads, watermains, sewers, buildings, vehicles, equipment, etc. As the social, economic, and environmental wellbeing of the community depends on the reliable performance of these municipal infrastructure assets it is critical to implement a systemic, sustainable approach to their management.

Asset management is such an approach, and refers to the set of policies, practices and procedures that allow an organization to realize maximum value from its municipal infrastructure assets. An asset management approach allows organizations to make informed decisions regarding the planning, building, operating, maintaining, renewing, replacing and disposing of municipal infrastructure assets through a wide range of **lifecycle activities**. Asset management is an organization-wide process that involves the coordination of activities across multiple departments and service areas such as operations, environmental services and community services. As such, it is useful to adopt a structured and coordinated approach to outlining the activities, roles and responsibilities required of organizational officials, as well as the key principles that should guide all asset management decision-making.

A comprehensive and holistic asset management approach will support efficient and effective delivery of expected **levels of service** and will ensure that due regard and process be applied to the long-term management and stewardship of all municipal infrastructure assets. In addition, it will align the Town with provincial and national standards and regulations such as the Infrastructure for Jobs and Prosperity Act, 2015 and Ontario Regulation 588/17, enabling the organization to take full advantage of available grant funding opportunities.

The Strategic Asset Management Policy is an important step towards integrating the Town's strategic mission, vision and goals with its asset management program, and ensuring that critical municipal infrastructure assets and vital services are maintained and provided to the community in a reliable, sustainable manner.

2.0 Policy Statement

To guide the Town, the following policy statements have been developed:

1. The Town will implement an enterprise-wide asset management program through all departments. The program will promote lifecycle and risk management of all municipal infrastructure assets, with the goal of achieving the lowest total cost of ownership while meeting desired levels of service.
2. The Town will implement continuous improvement protocols and adopt best practices regarding asset management planning, including:

    - Complete and Accurate Asset Data
    - Condition Assessment Protocols
    - Risk and Criticality Models
    - Lifecycle Management
    - Financial Strategy Development
    - Level of Service Framework

    Implementation shall meet or exceed requirements with respect to deadlines for completion and updates. The figure below provides the phase in timing identified by Ontario Regulation 588/17:

Asset Management Plan Components	Deadline for Completion
• Current levels of service. • Asset (Inventory) analysis. • Current performance of assets. • Lifecycle Activities and costs to maintain current levels of service. • Impacts of growth on current levels of service	July 1, 2021 - *Core Municipal Infrastructure Assets*
	July 1, 2023 – *All Municipal infrastructure Assets*
• Proposed Levels of service. • Proposed performance of assets. • Lifecycle activities and costs to achieve proposed levels of service • Financial Strategy • Impacts of growth on proposed levels of service	July 1, 2024 – *All Municipal infrastructure Assets*

3. The Town will develop and maintain an asset inventory of all municipal infrastructure assets which includes unique ID, description, location information, value (both historical and replacement), performance characteristics and/or condition, estimated remaining life and estimated repair, rehabilitation or replacement date; and estimated cost repair, rehabilitation or replacement costs.

4. The Town will develop an **asset management plan** that incorporates all infrastructure categories and municipal infrastructure assets that meet the **capitalization threshold** outlined in the organization's Tangible Capital Asset Policy. The AMP will be updated at least every five years in accordance with O. Reg. 588/17 requirements, to promote, document and communicate continuous improvement of the asset management program.

5. The Town will integrate asset management plans and practices with its long-term financial planning, including the 20-Year Long Range Capital Forecast, and budgeting strategies. This includes the development of financial plans that determine the level of funding required to achieve short-term operating and maintenance needs, in addition to long-term funding needs to replace and/or renew municipal infrastructure assets based on full lifecycle costing.

6. The Town will explore innovative funding and service delivery opportunities, including but not limited to grant programs, public-private partnerships (P3), alternative financing and procurement (AFP) approaches, and shared provision of services, as appropriate.

7. The Town will develop meaningful performance metrics and reporting tools to transparently communicate and display the current state of asset management practice to Council and the community. As per provincial regulations, municipal council shall conduct an annual review of its asset management progress annually, starting the year after the Town's asset management plan is completed. This review will address the Town's progress in implementing its asset management plan, any challenges that may impede implementation, and strategies to resolve these challenges.

8. The Town will consider the risks and vulnerabilities of municipal infrastructure assets to climate change and the actions that may be required including, but not limited to, anticipated costs that could arise from these impacts, adaptation opportunities, mitigation approaches, disaster planning and contingency funding. Impacts may include matters relating to operations, levels of service and lifecycle management.

9. The Town will ensure that all asset management planning is aligned with any of the following financial plans:

    i. Financial plans related to the Town's water assets including any financial plans prepared under the Safe Drinking Water Act, 2002.
    ii. Financial plans related to the Town's wastewater assets.

10. The Town will align all asset management planning with the Province of Ontario's land-use planning framework, including any relevant policy statements issued under section 3(1) of the *Planning Act*; shall conform with the provincial plans that are in effect on that date; and, shall be consistent with all municipal official plans.

11. The Town will coordinate planning for interrelated municipal infrastructure assets with separate ownership structures by pursuing collaborative opportunities with neighbouring municipalities and jointly-owned municipal bodies wherever viable and beneficial.

12. The Town will develop processes and provide opportunities for municipal residents and other interested parties to offer input into asset management planning wherever and whenever possible.

3.0 Purpose

The purpose of this policy is to provide leadership in and commitment to the development and implementation of the Town's asset management program. It is intended to guide the consistent use of **asset management** across the organization, to facilitate logical and evidence-based decision-making for the management of **municipal infrastructure assets** and to support the delivery of sustainable community services now and in the future.

By using sound asset management practices, the Town will work to ensure that all municipal infrastructure assets meet expected performance levels and continue to provide desired service levels in the most efficient and effective manner. Linking service outcomes to infrastructure investment decisions will assist the Town in focusing on service, rather than budget, driven asset management approaches.

This policy demonstrates an organization-wide commitment to the good stewardship of municipal infrastructure assets, and to improved accountability and transparency to the community through the adoption of best practices regarding asset management planning.

4.0 Scope

The Strategic Asset Management Policy is an important component towards the continual effort required in realizing the following long-term objectives identified in the Town's Strategic Plan, including, but not limited to, the following:

- Robust Sustainable Growth
- Sustainable Financial Model.
- Infrastructure Lifecycle Renewal.
- Effective Service Delivery.
- Sound Operations

This policy aligns with the Town of Arnprior's Strategic Plan Long Term Objectives and the Official Plan. The Town of Arnprior Official Plan is to provide direction and a policy framework for managing growth and land use decisions. The Official Plan is a series of policies, guidelines, and regulations that direct the actions of the Town and shapes growth and development.

5.0 Roles and Responsibilities

The development and continuous support of the Town's asset management program requires a wide range of duties and responsibilities. The following passages outline the persons responsible for these tasks:

1. **Council**
   i. Approve the Strategic AM policy and direction of the AM program
   ii. Maintain adequate organizational capacity to support the core practices of the AM program
   iii. Prioritize effective stewardship of assets in adoption and ongoing review of policy and budgets
   iv. Approve levels of service

2. **Executive Lead (General Manager, Operations & General Manager, Client Services/Treasurer)**
   i. Development of policy and policy updates
   ii. Provide organization-wide leadership in AM practices and concepts
   iii. Provide departmental staff coordination
   iv. Establish with establishment of, and monitor, levels of service
   v. Coordinate and track AM program implementation and progress

3. **Senior Management Team**
   i. Provide input and oversight for/of policy and policy updates
   ii. Provide corporate oversight to goals and directions and ensure the AM program aligns with the Town's strategic plan
   iii. Ensure that adequate resources are available to implement and maintain core AM practices
   iv. Assist with departmental staff coordination
   v. Assist and monitor levels of service

4. **Departmental Staff**
   i. Utilize the new business processes and technology tools developed as part of the AM program
   ii. Participate in implementation task teams to carry-out AM activities
   iii. Implement and monitor levels of service
   iv. Provide support and direction for AM practices within their department
   v. Track, analyze and report on AM program progress and results

6.0 Definitions

Unless otherwise noted, the definitions provided in this document align with those outlined in Ontario Regulation 588/17 (O. Reg. 588/17), Asset Management Planning for Municipal Infrastructure, under the *Infrastructure for Jobs and Prosperity Act, 2015.*

1. **Asset management (AM)** – the coordinated activity of an organization to realize value from assets. It considers all asset types, and includes all activities involved in the asset's life cycle from planning and acquisition/creation; to operational and maintenance activities, rehabilitation, and renewal; to replacement or disposal and any remaining liabilities. Asset management is holistic and normally involves balancing costs, risks, opportunities and performance benefits to achieve the total lowest lifecycle cost for each asset.

2. **Asset management plan (AMP)** – Documented information that specifies the activities, resources, and timescales required for an individual asset, or a grouping of assets, to achieve the organization's asset management objectives. Under O. Reg. 588/17, by 2023 AMPs for core municipal infrastructure assets will be required to include the current levels of service being provided; the current performance of each asset category; a summary of assets in each asset category, their replacement cost, average age, condition information, and condition assessment protocols; lifecycle activities required to maintain current levels of service; discussion of population and economic forecasts; and documentation of processes to make inventory- and condition-related background information available to the public.

3. **Capitalization threshold** – the value of a municipal infrastructure asset at or above which a Town will capitalize the value of it and below which it will expense the value of it.

4. **Green infrastructure asset** – an infrastructure asset consisting of natural or human-made elements that provide ecological and hydrological functions and processes and includes natural heritage features and systems, parklands, stormwater management systems, street trees, urban forests, natural channels, permeable surfaces and green roofs.

5. **Level of service** – parameters, or combination of parameters, which reflect social, political, environmental and economic outcomes that the organization delivers. Parameters can include, but are not necessarily limited to, safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost, and availability.

6. **Lifecycle activities** – activities undertaken with respect to a municipal infrastructure asset over its service life, including constructing, maintaining, renewing, operating and decommissioning, and all engineering and design work associated with those activities.

7. **Municipal infrastructure asset** – an infrastructure asset, including a green infrastructure asset, directly owned by a Town or included on the consolidated financial statements of a Town, but does not include an infrastructure asset that is managed by a joint municipal water board.

7.0 Key Principles

The Town shall consider the following principles as outlined in section 3 of the *Infrastructure for Jobs and Prosperity Act, 2015*, when making decisions regarding asset management:

1. Infrastructure planning and investment should take a long-term view, and decision-makers should take into account the needs of citizens by being mindful of, among other things, demographic and economic trends.

2. Infrastructure planning and investment should take into account any applicable budgets or fiscal plans.

3. Infrastructure priorities should be clearly identified in order to better inform investment decisions respecting infrastructure.

4. Infrastructure planning and investment should ensure the continued provision of core public services, such as health care and education.

5. Infrastructure planning and investment should promote economic competitiveness, productivity, job creation and training opportunities.

6. Infrastructure planning and investment should ensure that the health and safety of workers involved in the construction and maintenance of infrastructure assets is protected.

7. Infrastructure planning and investment should foster innovation by creating opportunities to make use of innovative technologies, services and practices, particularly where doing so would utilize technology, techniques and practices developed in Ontario.

8. Infrastructure planning and investment should be evidence based and transparent, and, subject to any restrictions or prohibitions under an Act or otherwise by law on the collection, use or disclosure of information,
   i. investment decisions respecting infrastructure should be made on the basis of information that is either publicly available or is made available to the public, and
   ii. information with implications for infrastructure planning should be shared between the Town and broader public sector entities, and should factor into investment decisions respecting infrastructure.

9. Where provincial or municipal plans or strategies have been established in Ontario, under an Act or otherwise, but do not bind or apply to the Town, as the case may be, the Town should nevertheless be mindful of those plans and strategies and make investment decisions respecting infrastructure that support them, to the extent that they are relevant.

10. Infrastructure planning and investment should promote accessibility for persons with disabilities.

11. Infrastructure planning and investment should minimize the impact of infrastructure on the environment and respect and help maintain ecological and biological diversity, and infrastructure should be designed to be resilient to the effects of climate change.

12. Infrastructure planning and investment should endeavour to make use of acceptable recycled aggregates.

13. Infrastructure planning and investment should promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the well-being of a community affected by the project, such as local job creation and training opportunities, improvement of public space within the community, and any specific benefits identified by the community.